



# MERCY CORPS NETHERLANDS

## Annual Report FY24

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**Cover photo:** May 2024, Fass Ngom, Senegal. Anta Yade, 40, next to solar panels on the farm that she operates with her husband. Their land is in an area that relies heavily on rainfall, but with each rainy season also comes staggering heat. They use a nearby well to ensure their crops get the water they need. In 2023 Anta’s farm was one of several to receive a solar powered pump to aid in irrigation. With the newfound knowledge from Mercy Corps’ agricultural training program and increased savings from the farm’s greater profits, Anta is hoping to move to their own land where they can build their own home.

# Who We Are

Mercy Corps Netherlands (MCNL) was established in December 2017 as a separate legal entity with its own constitution, operating as a part of the global organisation, Mercy Corps.

Mercy Corps Netherlands is part of a unified global organisation, Mercy Corps, which consists of:

- › Mercy Corps Global (MCG), a US entity registered in Washington State and its field operations, including branches and local organisations located in approximately 40 countries;
- › Mercy Corps Europe (MCE), a UK entity registered in Scotland with offices in Edinburgh and London;
- › Mercy Corps Netherlands (MCNL) a Dutch entity registered in the Netherlands with an office in The Hague.
- › Other affiliated entities of the global organisation.

Mercy Corps Netherlands shares the global organisation's mission, vision, core values, and charitable objectives, as well as operational resources for the implementation of programme activities in the 40+ countries where Mercy Corps works. Mercy Corps Netherlands maintains an independent governance structure and decision making in relation to those programmes for which it is directly responsible<sup>1</sup>. Mercy Corps Netherlands contributes to the strategic objectives of the global Mercy Corps organisation through effective stewardship and management of resources, raising income, building influence, and delivering impact.

The Objectives of Mercy Corps are:

- › The relief of poverty;
- › The advancement of health;
- › The advancement of community development;
- › The saving of lives;
- › The advancement of human rights, conflict resolution or reconciliation; and
- › The advancement of environmental protection.

## Strategic framework

Mercy Corps' 10-year strategy, Pathway to Possibility, reflects our ambitions to not only meet the basic needs of communities affected by conflict and climate change, but to achieve lasting and transformational change at scale.

Enhancing resilience is at the heart of what Mercy Corps does and how we work. Resilience means that people and systems can improve and protect their wellbeing in the face of shocks and stresses. Mercy Corps strengthens sources of resilience to enhance the capacities of people, markets, and institutions to handle shocks, reduce risk, build more equitable and responsive systems, and improve wellbeing. Through our programmes, partnerships, and influence, we support communities to cope, adapt, and ultimately thrive.

We work towards four connected and reinforcing outcomes that determine people's wellbeing and support them to cope, adapt, and thrive:

- › **Food Security:** People are well-nourished at all times, with access to sustainably produced, safe, and nutritious food.
- › **Water Security:** People have equitable and sustained access to clean and safe water to meet their everyday needs.
- › **Economic Opportunities:** People grow and sustain their assets and income.
- › **Peace and Good Governance:** People reduce or prevent violence, contribute to advancing sustainable peace, and participate meaningfully in inclusive and responsive governance systems.

The following five commitments underpin all that we do – regardless of programming interventions or context – and challenge us to be more accountable and to continuously push the boundaries of what is possible:

- › **Climate Smart:** We take bold action to meet the urgency of the climate crisis.
- › **Evidence Driven:** We use data, evidence, and analytics to drive impact, scale what works, and influence others.
- › **Innovative and Creative:** We innovate and work with change-makers to test, co-create, and scale more effective solutions.
- › **Locally Led:** We are intentional about sharing and ceding power, building meaningful partnerships, and centring communities' voices in all we do.
- › **Safe, Diverse, and Inclusive:** We help create a culture of inclusion for all people that protects, enables, and elevates diverse community members and groups.

In order to achieve 'Pathway to Possibility' in Europe, Mercy Corps employs its European Strategic Plan that covers 2023-2026, to realise our ambition in Europe that, in three years' time, "Mercy Corps is established as one of the leading organisations in Europe building long-term resilience of communities facing the compounding effects of conflict, fragility and climate change." Mercy Corps in Europe intends to do this by:

1. Increasing Mercy Corps' profile, funding and influence within the Netherlands, the EU and other key European locations, policy fora and events.
2. Investing in and strengthening our people, systems, and structures to capitalise on expertise and innovations that deliver impact.

Additionally, Mercy Corps Netherlands has a Strategic 'Policy Plan' guided by the strategic ambitions and priorities of the organisation's global Pathway to Possibility strategy and wider European Strategic Plan. The current plan expired in June 2024 and the Netherlands team are currently finalising a new Strategic Policy Plan for 2024 – 2027.

## Purpose & Mission

Mercy Corps supports communities – and the most marginalised within them – to emerge from crisis in the face of conflict and climate change, and build towards a more inclusive, resilient future. Mercy Corps works on the front lines of crises as a multi-mandate organisation that provides access to humanitarian aid, development, and peace assistance in places affected by conflict and climate change.

Our mission is to alleviate suffering, poverty and oppression by helping people build secure, productive and just communities. Beyond delivering aid to meet urgent needs, we develop long-term solutions to

make lasting change possible, making it easier for affected communities to access resources, services, and opportunities that support them to cope, adapt, and ultimately thrive.

In more than 40 countries around the world, over 5,700 team members work side by side with people living through poverty, disaster, violent conflict, and the acute impacts of climate change. We're committed to creating global change through local impact – 84% of our team members are from the countries where they work.

As conflict and the climate crisis further deepen challenges across the globe, Mercy Corps is steadfast in our commitment to sparking new possibilities alongside our partners, communities we serve, and dedicated supporters. This year, we have come together to support people as they overcome challenges and create lasting change.

We know that however complex or daunting the barrier, a path forward can be built with greater connection – to clean water, to nutritious food, to better economic opportunities, and to activities and solutions that foster peace within communities. Every person, family, and community we work with is on their own journey forward. Our teams provide support so they can better cope amid crisis, adapt to evolving challenges, and thrive into the future. When communities face displacement, hunger, and other consequences of conflict and climate-driven disasters, Mercy Corps responds quickly.

In this financial year, Mercy Corps reached almost 38 million people through over 250 programmes in over 40 countries around the world.

Mercy Corps Netherlands is part of the global Mercy Corps organisation and exists to ensure effective stewardship and management of European resources, raise income, build influence and demonstrate impact in Europe to contribute to the mission of the global organisation, as stated above.

In this report, we use 'Mercy Corps Netherlands' when referring to the Netherlands-based organisation, 'Mercy Corps in Europe' to reflect our headquarters operations across Europe and 'Mercy Corps' to refer to the global organisation including country programming.

## Director's Report

### Structure, Governance and Management

#### Our Structure

Mercy Corps Netherlands is registered in the Netherlands as an Association under the Dutch Trade number 70333564 and came into operation on 19 December 2017. The relationship between Mercy Corps Europe and Mercy Corps Netherlands is governed by a Governance Agreement and Memorandum of Understanding (MOU) that also includes Mercy Corps Global and which covers matters relating to programmes, funding, governance, intellectual property and other legal affairs. The MOU was updated in January 2021 to reflect Mercy Corps Netherlands' updated structure and capacity to manage programmes and operations.

Mercy Corps Netherlands has a Management Board of Directors responsible for the oversight of Mercy Corps Netherlands' overall performance in furtherance of its charitable mission, internal risk management and control systems to ensure effective management of financial resources. Management of the entity is delegated through the legal representative of the entity, and MCNL staff, including the Managing Director.

The Management Board of Directors meets independently twice per year to review Mercy Corps Netherlands' overall performance, risk reports, and financial position.

Mercy Corps Europe, Mercy Corps Global, and Mercy Corps Netherlands function as an integrated global organisation with a unified governance structure. The three headquarter entities have the same strategy and charitable objectives and operationally share managerial and support services, financial resources, functions, and common policies across the organisation's global operations. Mercy Corps Netherlands Management Board of Directors convenes as a 'Joint Board' together with Board Directors of the other two entities, and the Joint Board delegates Board responsibilities to Joint Board Committees.

The balance and diversity of Board Directors is closely reviewed by the Boards and the Joint Nominating and Governance Committee (JNGC), with an emphasis on ensuring that Board Directors provide the specific mix of skills that have been identified as important to the charity's objectives and activities. All new Directors receive briefings, including on governance and conflicts of interest, as part of their onboarding process.

Each new Board Director participates in an onboarding process which includes the following:

- > Administrative setup and signposting to key strategic, financial, and operational documentation, including access to Board and Committee meeting minutes;
- > A series of onboarding meetings with key stakeholders;
- > A series of mandatory trainings.

When the opportunity arises, new Board Directors are encouraged to participate in a programme visit to meet with Mercy Corps teams, partners, and programme participants in one of our countries of operation. Annually, Board Directors participate in a series of trainings in person.

## **Board of Directors and General Meeting Members**

### **Mercy Corps Netherlands Board of Directors**

Ludovic Subran (Chair)	Thierry Tanoh (Term beginning 1 July 2023)
Kito de Boer (Resigned 29 October, 2024)	Linda McAvan (Appointed 25 June 2024; term beginning July 1, 2024)
Carin Beumer	Vijaya Gadde (Appointed 25 June 2024; term beginning July 1, 2024)
Pepijn van Dijk (Treasurer)	
Lucy Helm (Term ended 30 June, 2024)	

### **Mercy Corps Netherlands General Meeting Members**

Emmanuel Lulin	Alan Hartley
Lucy Helm (Term ended 30 June, 2024)	Ludovic Subran
Tjada D'Oyen McKenna	Kito de Boer (Resigned 29 October 2024)
Melanie Thomas Armstrong	Vijaya Gadde (Appointed 25 June, 2024; term beginning July 1, 2024)
Cecily Joseph	
Lesley Ndlovu	

## Committees

There are seven standing Board Committees made up of Board Directors of Mercy Corps Europe, Mercy Corps Netherlands and Mercy Corps Global and other independent individuals with relevant experience, under specific terms of reference from the Board. Each of the Committee's report to the Mercy Corps Europe, Mercy Corps Netherlands and Mercy Corps Global Boards at the quarterly Joint Board meetings, and to the Mercy Corps Netherlands Board where appropriate.

**Joint Board Executive Committee (JBEC):** The JBEC serves in an advisory role to the senior management and facilitates deliberation and Board-level decision-making between Board meetings or in urgent or crisis circumstances.

**Joint Audit and Risk Committee (JARC):** The JARC provides assistance to the management and to the Boards in fulfilling their oversight responsibility to donors, potential donors, the NGO community and other stakeholders regarding Mercy Corps' financial statements and the financial reporting process. It assists with ensuring the integrity of the Mercy Corps consolidated annual statements, the selection, engagement and dismissal of Mercy Corps' independent auditors and the performance of the Mercy Corps internal audit function. The JARC has oversight of Mercy Corps' enterprise risk and entity-specific risk management frameworks.

**Joint Finance Committee (JFC):** The JFC provides assistance to the management and to the Boards in fulfilling their oversight responsibility with respect to the financial stability, financial strategy and the long-term economic health of Mercy Corps. It reviews the financial condition, policies, and practices of Mercy Corps and provides reports and recommendations with respect to these to the JBEC and as appropriate to the Boards.

**The Joint Ethics and Safeguarding Committee (JESC):** The Joint Ethics and Safeguarding Committee (JESC) is chartered to oversee the management and advise the Boards on all ethics matters. The Committee will oversee ethics-related policies, including safeguarding, and management's implementation of ethics systems (reporting, investigation, training, accountability, case resolution and annual ethics reporting to the board). The Committee will also consider specific topic areas that may arise, such as safeguarding; diversity and inclusion; philanthropy ethics; ethics of technology; ethics in human resources; and ethical challenges in crisis management.

**Joint Nominating and Governance Committee (JNGC):** The JNGC is responsible for making recommendations for membership, as well as providing advice and recommendations regarding corporate governance practices to the respective Boards of Directors of Mercy Corps.

**Joint Development Committee (JDC):** The JDC provides assistance to the Boards to fulfill their responsibility for the organisation's financial health by ensuring Mercy Corps has an effective private resource development program. The JDC Charter was approved and adopted on the 29 June 2023.

**Joint Compensation Committee (JCC):** The JCC provides advice and recommendations regarding human resources functions and the compensation of Mercy Corps officers.

The Joint Committees are delegated responsibility to review and advise on the subjects and matters under their purview to assist the Mercy Corps Netherlands Board in fulfilling its oversight responsibilities on the various matters under each Committees' remit.

## **Governance and oversight of country office operations**

The Mercy Corps Netherlands Board of Directors fulfils its governance and oversight responsibilities of MC country office operations through controls, governance and reporting arrangements. The responsibility for Mercy Corps country offices, which implement the grants and contracts signed by Mercy Corps Netherlands, is established in the organisational Memorandum of Understanding, that describes the roles and responsibilities of each entity in the different aspects of programme implementation and operations. The Mercy Corps Netherlands Managing Director represents European interests internally, through the Mercy Corps Europe Executive Director who sits on the Executive Leadership Team of Mercy Corps at the highest management level of the global organisation.

Mercy Corps Netherlands team members provide programmatic and financial monitoring, support and oversight for implementation and are responsible for the review and submission of all reports to donors. The financial and management systems under which Mercy Corps Netherlands programmes operate are subject to external review by auditors acting on behalf of funding partners/donors, and internal reviews and audits by the MC Internal Audit team. All internal and external audit reports are shared with Mercy Corps Netherlands, as well as all reports produced by the global Ethics and Compliance Department impacting on European donors and on Mercy Corps Netherlands. The Mercy Corps Internal Audit and the Ethics and Compliance departments report to the Joint Audit and Risk Committee at least three times per year.

## **Safeguarding Statement**

As a global humanitarian organisation working with some of the world's most vulnerable communities, we have an immense responsibility to our programme participants, donors and team members across the 40+ countries in which we work. At Mercy Corps, we strive to create an inclusive and safe work environment, where everyone is treated with dignity and respect, free of exploitation, harassment and bias. Central to this commitment is our emphasis on protecting our programme participants, community members, and team members from all forms of harm, including any physical, emotional or sexual abuse or exploitation. We take this responsibility seriously and we continue to invest in and strengthen our approach to safeguarding. Mercy Corps Netherlands aligns with Mercy Corps' global safeguarding approach and code of conduct policies.

The Chief Ethics & Compliance Officer (CECO) leads a stand-alone Ethics and Compliance Department (ECD) that supports Mercy Corps' global operations and unifies all our safeguarding and compliance teams. Regarding Safeguarding, the ECD includes the Intake and Investigations Team which is responsible for overseeing all investigations relating to safeguarding allegations and the Safeguarding Prevention Team which includes supporting safeguarding prevention efforts across all countries where Mercy Corps operates. As part of that team, there is a European Safeguarding Advisor with a particular focus on European donors, programmes and networks.

In January 2024, Mercy Corps launched the Safeguarding Core Standards Policy available here: <https://dldocs.mercycorps.org/SafeguardingCoreStandardsPolicy.pdf>

The Core Standards Policy pulls all our safeguarding commitments – at programme and operational levels - into one global framework. Our goal is to more fully operationalise our safeguarding commitments, clarify responsibilities and ensure every team member at Mercy Corps understands their role and is empowered to prevent and respond to exploitation, abuse, trafficking and harassment, leading to a more safe, diverse and inclusive Mercy Corps. There are ten core standards, which outline specific minimum



requirements. Each standard is accompanied by field-tested tools and guidance to support their implementation. The ten standards are:

1. Safeguarding prevention and response roles are in place at the country level;
2. Safe recruitment processes are in place;
3. All team members receive regular and ongoing safeguarding training;
4. Leadership at all levels demonstrate commitment to safeguarding;
5. Safeguarding is integrated throughout the programme cycle and included in programme budgets;
6. Partners and contractors are vetted, monitored, and supported appropriately on safeguarding;
7. Reporting systems are trusted, operational, accessible and communicated (which includes community feedback and complaints mechanisms as required under our Community Accountability Reporting Mechanism CARM Policy);
8. Survivors are treated with respect and provided with appropriate, dignified support;
9. Safeguarding investigations are survivor-centred, timely and thorough; and
10. Images, stories and personal information are gathered, stored and used safely.

We are continuing to sensitise country teams on the implementation of the Core Standards Policy and are monitoring progress via a Core Standards Implementation Dashboard. The Dashboard allows us to identify gaps and areas for ongoing support by the global and regional safeguarding teams.

In FY24, Mercy Corps issued its seventh and final report on our Commitments to Action and progress made following the independent external review examining Mercy Corps' handling of reports of sexual abuse by Mercy Corps' late co-founder Ellsworth Culver were brought to the organisation's attention in 2018. Mercy Corps' final Progress Report on the Commitments to Action can be found at: <https://dldocs.mercycorps.org/CommitmentstoActionProgressRepAug2023.pdf>

Mercy Corps' policies related to safeguarding can be found at: <https://europe.mercycorps.org/en-gb/who-we-are/ethics-policies>

Mercy Corps' Global Annual Safeguarding Report can be found at: <https://www.mercycorps.org/who-we-are/ethics-policies#safeguarding-approach>

## Trustee Risk Statement

Mercy Corps works in fast-changing, often insecure and high-risk environments, delivering its mission in some of the toughest and riskiest places in the world. This means that risks are inherently ingrained in our operations – the problems we seek to address are often entrenched and therefore require innovative approaches, many of which carry risks. However, we believe the potential opportunities these solutions offer are worth the risks, and risk management is therefore embedded throughout Mercy Corps, across all levels of the organisation. To operate effectively, bring about the changes we aim for, and safeguard our team members and the people we work with, we assess and respond to the risks we face in accordance with our risk management framework.

Mercy Corps operates as one global organisation, with common exposure to financial, operational, reputational and external risks. Mercy Corps Netherlands therefore works closely with Mercy Corps Europe and Mercy Corps Global and our country teams to identify, mitigate and manage risks in our challenging operating environments. Globally, Mercy Corps has an enterprise risk management approach and maintains a global enterprise risk register. In addition, Mercy Corps Netherlands and Mercy Corps

Europe share an entity-specific risk management framework and accompanying Corporate Risk Register, as both entities are exposed to the same or similar risks. This is reviewed by the European Senior Leadership Team and with trustees as part of the Audit and Risk Committee. Key risks are reviewed, and corresponding actions scrutinised.

## **Enterprise Risk Management**

Globally, Mercy Corps frames Enterprise Risks as those that would significantly impact (positively or negatively) a Mercy Corps strategic priority, goal, or initiative. Mercy Corps' Enterprise Risk Management (ERM) framework is a comprehensive approach to helping leadership ensure the appropriate identification, management, mitigation and/or escalation of Enterprise Risks. The ERM Committee in FY24 consisted of: Mercy Corps' General Counsel, Deputy General Counsel, Chief Financial Officer, Chief Operating Officer, Chief People Officer, Chief Ethics and Compliance Officer, Vice President of Programs, Vice President – Strategy Realization, Chief Development and Marketing Officer, Chief Marketing and Communications Officer, and Mercy Corps Europe Executive Director (plus observers). The ERM Committee meets as frequently as it deems necessary to carry out its duties and responsibilities, and in any case no less than three times a year.

Mercy Corps' countries of operations are encouraged to identify key risks and mitigation measures as part of the strategic planning process annually. Mitigating strategies are subsequently developed and managed throughout the year. Risk management is also a key component of "Programme Management at Mercy Corps" and programmes designated as complex, either by virtue of size, nature or location, are subject to additional rigour. Most Mercy Corps programmes develop programme risk registers as part of the good project governance and are required by most of our donors.

Mercy Corps also has a wider assurance framework which includes associated policies on health and safety, incident reporting, anti-fraud, bribery and corruption, conflict of interest, management of complaints and grievances, prohibited parties, safeguarding, security, and raising concerns (whistleblowing). These policies aim at ensuring that where incidents give rise to risks, these are identified, acted on swiftly, and reported according to our regulatory responsibilities.

Throughout the year, risk-based internal audits of country offices are conducted by the Mercy Corps Internal Audit team. In FY24, eight internal audits were carried out. Internal audit reports are shared with management and the JARC. Agreed actions and recommendations from each audit are followed up throughout the year and reports on their significant findings and implementation of the action plans are also reviewed by management and the JARC. Work continues to aim to reduce the incidence of repeat findings and to determine organisational-wide improvements identified through country internal audits, as well as identifying appropriate resources to support such efforts.

## **European Risk Management**

Mercy Corps Netherlands shares the European Risk Management Framework relevant for risks applicable to the European entities (some of which overlap or interconnect with risks applicable for Mercy Corps globally). Together with Mercy Corps Europe, Mercy Corps Netherlands maintains a Corporate Risk Register (CRR) which sets out key business, operational and financial risks facing Mercy Corps Netherlands. Discussions around key risks take place regularly during the European Senior Leadership Team meetings and in the global enterprise risk management meetings and working groups. The CRR is shared with the JARC at their meetings no less than three times a year.

The Board of Directors of Mercy Corps Netherlands are ultimately responsible for the risk management of the Dutch entity. The Board has the opportunity to assess Mercy Corps Netherlands' position and raise queries relating to individual or collective risks. As at the end of FY24, the significant risks noted by the Mercy Corps Netherlands Board, are assessed to be:

- › The **external political environment** in Europe potentially impacting financial stability of the organisation: We are investing in our policy and advocacy and fundraising capacities and working to diversify our sources of funding. In FY24 we monitored the changes in the Dutch government and the implications for development funding.
- › Potential **safeguarding incidents** which go undetected resulting in significant legal and reputational damage: We continue to strengthen our mitigation measures around safeguarding, including in relation to awareness, prevention, reporting, response and investigation when issues arise, as well as increasing country and regional resource and capacity. In FY24, the Safeguarding Core Standards were rolled out and the Speak Out! Policy (previously the Ethics and Complaints Whistleblower Policy) was released. See further Safeguarding section of this report.
- › **Team members are placed at risk of harm**, including related to mental health and wellbeing: We have up-to-date global security policies and procedures in place, as well as country-specific guidelines. Our global and regional security advisors provide technical support. We have health and safety policies and procedures in place for our work in Europe which are evaluated on a regular basis. As part of our duty of care, Hostile Environment Awareness Training (HEAT) training is provided for team members who travel to or work in our country offices.
- › **Fraudulent activity** impacting the financial stability and reputation of the organisation: We have a suite of global policies in relation to anti-fraud and corruption and accompanying procedures and internal controls in place, monitored through internal audit. In FY24, the Conflict-of-Interest Policy was updated and rolled out and we carry out online mandatory training for all team members. We have mechanisms in place for reporting allegations, including an integrity hotline and our Community Accountability and Reporting Mechanisms (CARM) systems in the countries where we work, and our Global Ethics department runs investigations. In FY24, work continued on the global Fraud Risk Assessment, to work through priorities for strengthening fraud prevention.
- › **Data Protection** and specifically non-compliance with GDPR, and cyber-attacks: We have data protection policies and procedures in place, which were reviewed and updated for compliance with Dutch and EU specific regulations. Mercy Corps Netherlands representatives sit on the Mercy Corps European Data Oversight Group which meets regularly. We have mandatory global responsible data training and in addition we provide specific training on GDPR to Europe based staff as part of onboarding and refreshers thereafter. We maintain a Mercy Corps Netherlands data schedule for each department and our Data Protection Officer carries out a quarterly review to monitor compliance and support actions. We have recruited a Netherlands-based Data Protection Coordinator who will start in July 2024 to bolster our understanding of the Dutch data protection regime. We are constantly updating and strengthening Information Technology and Information Security policies and cyber security mitigation measures.

- › **Unexpected disruption of our programme activities in country or an event impacting European operations:** Measures are in place to ensure strong monitoring of security risks, including an increased emphasis on contingency plans for high-risk contexts. Regional security advisors are looking at regional dynamics/trends and the Emergency Preparedness Planning process across all countries. We have been training our senior leaders on crisis management and constituted a Crisis Management Team to stand up in light of a global crisis.

# Strategic Report for the Year Ended 30 June 2024

## Objectives and Activities

In the past year we have seen a continued increase in needs across the globe, as complex and protracted crises compounded by climate change worsen already catastrophic humanitarian outcomes for many of the world's most vulnerable populations. The crisis in Gaza and the wider region dominated global headlines from October 2023, adding to major humanitarian emergencies in the Democratic Republic of Congo (DRC), Ukraine and Sudan. Mercy Corps responded to these crises along with long-term climate-resilient programming tackling food security, water security, economic growth, and peace and good governance.

In 2023-24, Mercy Corps made investments in Europe, including in the Netherlands, in line with the European Strategic Plan (2023-26) geared at improving our ability to respond effectively at scale – whether through increased and diversified revenue or influence on policy – and improve our effectiveness in supporting high-quality programming. Examples of these activities include an increase in annual revenue from both institutional and private sources, influential advocacy around humanitarian crises, including Gaza, Ukraine and Sudan, an increase in coverage of Mercy Corps in European media by 50% compared to FY23, and structural improvements to our Compliance, Finance and People teams.

Programmes supported by funding raised by Mercy Corps Netherlands reached over three million people during this period, with the majority participating in agriculture and food security initiatives, followed by water, sanitation, and cash and voucher programming. Our impact has been concentrated in north and east Africa and the Sahel regions (over 80% of activities), Ukraine and neighbouring countries (10%), and the remaining focused on our Asia, Middle East and America programmes.

## Our programmes and their achievements

### Humanitarian Response Capacity

This year has seen a continued rise in humanitarian needs. In the first six months of 2024, humanitarian needs in multiple countries intensified, while new crises hit others, causing global humanitarian requirements to grow from US\$46.4 billion in January 2024 to \$48.7 billion by June.

Conflict and violence drove rising displacement and deepened suffering in contexts such as the DRC, Haiti, the Occupied Palestinian Territory (OPT), Myanmar and Sudan, while climate shocks – including floods, cyclones and drought – caused loss of lives and livelihoods in multiple countries. In response, Mercy Corps Netherlands has stepped up its support to numerous countries.

In Sudan, Mercy Corps has set up the **Cash Consortium of Sudan (CCS)**, funded by ECHO, to advance a progressive vision of the potential of cash and markets assistance to transform humanitarian response

and recovery in partnership with vulnerable conflict-affected populations in Sudan. The CCS is a partnership of 7 INGOs and 11 Sudanese NGOs delivering harmonised multi-purpose cash assistance (MPCA) that facilitates timely and effective responses to the complex humanitarian emergency in the country. This approach drives impact, efficiency and cost-effectiveness. Its initial focus is on lifesaving assistance and safeguarding livelihoods through improved coordination, basic needs assistance, market recovery, and evidence generation. Since May 2024, **17,127 households (HHs)** across 8 states (Central Darfur, East Darfur, Gedaref, North Kordofan, Sennar, South Kordofan, South Darfur, and West Darfur) and 21 localities in Sudan have been registered for MPCA, of which **3,229** have already received MPCA.

In Gaza the Norwegian Refugee Council, Mercy Corps, Humanity & Inclusion, and Médecins du Monde France have formed the **Gaza Protection Consortium (GPC)**, funded by ECHO. The Consortium delivers humanitarian assistance to the most vulnerable people affected by the humanitarian crisis and violations of their fundamental rights across the Gaza Strip. Following a “Cash Plus” approach, the consortium provides comprehensive support to households and better safeguards protection outcomes by integrating cash assistance, protection, and health programming. Mercy Corps is responsible for the delivery of Cash and Livelihood components, and so far, has reached **6,453** unique households with regular and Emergency MPCA and **1,892** households with in-kind assistance, such as food and hygiene kits.

## Peace and Good Governance

In response to an increasingly shrinking civic space worldwide, Mercy Corps supports initiatives that strengthen locally led civic spaces globally.

In Guatemala, through the **Juventudes Empoderadas para ejercer sus derechos** (Youth Civic Engagement) programme, Mercy Corps contributes to a more diverse and inclusive society by encouraging youth, indigenous peoples, and women to exercise their rights.

Over the past year, the programme benefitted a total of **2,949 young people**, of which **70.6%** were women. Activities provided **965** young people across various communities in Guatemala with technical skills, emphasised equal citizen participation, and strengthened leadership to exercise their rights. Additionally, **781** young people were involved in strengthening capacity at both community and municipal levels, where youth and indigenous communities address, analyse, and act on their priorities and demands. Activities promote economic alternatives and entrepreneurship among young people, reaching **1,430 young people** including **315 young people** involved in activities designed to promote awareness about the rights of youth and their communities.

## Economic Opportunity

Aquaculture plays a vital role in ensuring economic stability and food security in Myanmar. Despite its pivotal importance, the sector faces substantial sustainability challenges, necessitating concerted efforts to promote and implement sustainable practices.

Mercy Corps, in partnership with Village Link, a technology company, and Daung Capital, a financial institution, is implementing the EU-funded **Nurturing Green Aquaculture in Myanmar (NGA-Myanmar)** programme in the Yangon-Ayeyarwady aquaculture corridor. The programme supports micro, small, and medium enterprises (MSMEs) engaged in fish production – including a significant number of fish and shrimp farming households – supporting them to access and adopt cleaner production practices and green technologies.

Despite numerous challenges such as political instability, sanctions, and economic downturn, NGA-Myanmar has persevered – delivering capacity-building training sessions, demonstrations of diverse green aquaculture techniques and solutions. These initiatives, implemented across 13 locations within four townships (Maubin, Nyaungdon, Pantanaw, and Twantay) were attended by **298 champion aquaculture producers (43% women)**. At the end of 2023, **52% of participants** reported they had adopted the promoted practices in their pond operations. Furthermore, an additional **863 MSMEs and farmers (27% women)** were reached through field day events, which provided a platform for participants to gain valuable insights into the endorsed practices and technologies, fostering connections with industry experts and relevant technology providers.

Additionally, the Dutch Ministry of Foreign Affairs, through the Embassy of the Kingdom of the Netherlands in Ethiopia, supported the **Expanded Livelihoods Improvement for Women and Youth (Expanded LI-WAY)** project in Addis Ababa. In a consortium with SNV, Save the Children, and TechnoServe, the 4-year Expanded LIWAY project improves the incomes of vulnerable women and youth through engagement in employment and enterprise development activities, contributing to social stability, positive environmental impact, gender equality, and food security.

The programme focuses on four market systems: microenterprises, labour, skills, and manufacturing firms. The market systems development approach improves market systems so that they are more effective, sustainable, and beneficial for vulnerable people. In 2023, the system created jobs and impacted 31,754 individuals, of which more than 50% were women. The impact extended across facets of the labour market, and improved job quality has led to more meaningful and sustainable employment, which has not only reduced poverty, but also economically empowered communities.

## Food Security

Agricultural productivity in Sub-Saharan Africa is unable to meet growing demand. While smallholder farmers (SHFs) form the largest number of farmers in Sub-Saharan Africa, they have limited access to the capital and market opportunities that would allow them to successfully increase productivity, diversify and commercialise their farming enterprises. Financing in the agricultural sectors has long been limited due to systemic risks including weather, price volatility, lack of market access, intermittent cash flow, and the dispersed nature of smallholders' farming. To address these challenges, Mercy Corps' **AgriFin Africa - Phase II (ADF II)** programme supported the development and adoption of digital solutions for SHFs by building the capacity of financial and agricultural technology innovators, and by facilitating partnerships between these innovators and larger digital platforms. Rooted in this, the first iteration of the ADF programme focused on driving innovation and client-centric product development, support to design and broker new types of partnerships to transform product delivery capacities, as well as work with our partners to develop high-impact 'bundles' of digitally-enabled services offering farmers affordable access to full suites of affordable, relevant services at scale. The programme ultimately aimed to increase smallholder farmer inclusion, productivity, and income, as well as increase a range of digitally enabled models and institutional partners to drive agricultural transformation with direct benefit to SHFs throughout Africa.

The ADF II programme, partially funded by the Bayer Foundation through Mercy Corps Netherlands, continues to support the expansion of high impact, digitally enabled services provided through the AgriFin Digital Farmer programme. In 2023, ADF II increased access to digitally enabled bundles of products and services by registering **one million** farmers, of which **40%** were women. Additionally, using a strategy of deepening engagement with partners, ADF II scaled outreach to target farmers with appropriate products

and services. Lastly, ADF II enhanced learning, private sector and government involvement. In the second year of the ADF II programme, the total number of SHFs registered stands at over **3 million** farmers, of which women comprise **40%**, and of which **77%** are active users of the digital services and products. Furthermore, several platforms were operationalised to enhance digitally enabled products and services. This includes the Kenya Agricultural Livestock Research Organisation (KALRO) social enterprise, and the linkage of and eight of the nine Digital Agriculture (DAT) cohort members to their data hub.

## **Water Security & Climate Resilience**

The impacts of climate change are particularly severe for poor and marginalised populations, whose livelihoods are more dependent on the environment and who have few resources or capacity to mitigate and adapt to climate change.

To address this, Mercy Corps' Crisis Analytics (CA) unit is developing a drought and flooding monitoring system and dashboard called the **Middle East Climate Action Model (MEACAM)**, which is funded by ECHO, through Mercy Corps Netherlands. The dashboard serves three of the Middle East's most climate affected countries with significant population displacement, Yemen, Iraq, and Syria, so that vulnerable groups are better able to prepare for and respond to extreme weather, seasonal events and longer-term climate change.

Currently, there is no user-friendly system that draws actionable connections between climate risks and consequences for underserved populations in the Middle East, leaving a knowledge gap that hampers the effectiveness of humanitarian programming. In response to this reality and ECHO's priority of contributing to stronger data collection on analysis on disaster and climate-related displacement, the monitoring system will visualise drought conditions on an interactive map and provide statistics on the humanitarian impact of medium and longer-run weather and climate dynamics. Historic flood extents will be measured using satellite imagery analysis and visualised in another module, which will provide statistics on the humanitarian impact of – as well as the number of people likely displaced by – future flooding. The medium-run weather forecasts will be used as the basis for an early warning system that provides multiple threat levels that change in accordance with weather forecasts, suggesting more likely or severe flooding or drought conditions.

This warning system will be available on each module, as well as to the wider humanitarian community, and will inform an anticipatory action framework based on the projected humanitarian impact of flooding or drought conditions. Additionally, quarterly narrative outputs will provide analysis of emerging climate impact trends, rapid onset event impact assessments, and programmatic, policy and donor recommendations, while providing an evidence base to support effective anticipatory action and enable humanitarian actors to make better decisions for effective programming and resource allocation.

## **Energy**

**ENERGIA**, a collaboration between the Dutch INGO, Hivos, and Mercy Corps Netherlands, implements a multi-pronged approach and works with partners in promoting policies and actions recognising and validating women's roles in sustainable energy development in Senegal. This combines evidence building (both academic and on-the-ground), awareness creation, lobby and advocacy, gender mainstreaming, knowledge and information sharing, women's economic empowerment, innovative strategies, organisational strengthening and network building. The programme strengthens gender equality, women's empowerment and resilience, gender-transformative approaches in clean energy and climate sectors.

Not only has the solar irrigation and other agro-ecological practices piloted by this programme enabled women market gardeners to improve their income, as a result of raising awareness and promoting economic and technical models, the power usage effectiveness market has grown considerably in Senegal. Throughout the year, **148 women-led businesses** have improved their economic activities as a result of access to energy supported by Mercy Corps Netherlands and Hivos. Additionally, the programme's support for women businesses has created or consolidated **604 jobs**. The continued advocacy efforts of the programme, such as Mercy Corps' continued partnership with coalition members and the support for the Local Electricity Access Programme transparency initiative, which improves women's participation in the governance of the energy sector at the local and national level.

This approach to energy is further strengthened by our **Supporting Stronger Access to Energy Initiatives in Displacement Settings (SUSTAINED)** market assessment, funded by the Netherlands Enterprise Agency (RVO). This market assessment will feed into the foundational stage of the SUSTAINED programme, funded by the Dutch Embassy in Kampala.

Mercy Corps' commitment to energy is also visible in its contribution to the NL Energy Compact, together with CARE Nederland and Oxfam Novib, which aims to collectively bridge the gap where business traditionally stops, and humanitarian aid begins. By increasing access to, and use of, quality, reliable, affordable and clean energy sources, the consortium are building upon extensive knowledge of, and experience in, working in displacement settings, conflict-sensitivity, community engagement and advocacy. CARE Nederland, Mercy Corps Netherlands and Oxfam Novib are working on a joint programme (SUSTAINED) focused initially on refugee settlements in Uganda, with the intention to scale to similar contexts outside of Uganda. Funding for this programme by the Dutch Embassy in Kampala is expected to be approved early next year.

*The projects highlighted in this report represent the types of projects financed by funding raised by Mercy Corps Netherlands and do not contain the full portfolio of charitable activities by the organisation.*

## **Corporate Social Responsibility**

As part of our Global Strategy 'Pathway to Possibility', as detailed in the strategic framework section of this report, five commitments underpin all that we do – regardless of programming interventions or context – and challenge us to be more accountable and to continuously push the boundaries of what is possible.

Our strong integrity, safeguarding, diversity and inclusion policies and practices, as well as the operational policy frameworks for the effective stewardship of the financial resources entrusted to us ensure that these commitments are embedded in our operations in the Netherlands and the countries where we implement programmes.

Our environmental sustainability policy sets out measures to reduce the impact of our operations on the environment and engage with team members, partners, funders and suppliers to ensure sustainable practices are ingrained in our work. Mercy Corps Netherlands has an Environmental Policy which sets out our commitment to limiting the environmental impact of our work. At the global level, we have set Paris-aligned targets to report on and reduce our carbon footprint, and our efforts are in line with the Science-Based Targets Initiative (SBTi). In FY24 Mercy Corps released our second Sustainability 'Greening Mercy Corps' Report which represents an important step to bring transparency to our sustainability journey and a critical moment for our commitment to be climate-smart.

Available here: <https://www.mercycorps.org/sites/default/files/2024-01/mercy-corps-sustainability-report-2023.pdf>



At the programme level Mercy Corps has a set of environmental compliance and safeguarding tools which were rolled out in FY24 to inform the design and implementation. Looking forward, Mercy Corps are developing a broader set environmental policies that will apply across the organisation and further our ability to identify and minimise environmental risk and negative environmental impact.

## **Monitoring and Evaluation**

Mercy Corps believes that strong monitoring, evaluation, and learning (MEL) contributes to improved programme quality, performance, results and impact; advances Mercy Corps' mission; and increases accountability to programme stakeholders. The updated MEL Policy from January 2022 clarifies Mercy Corps' fundamental expectations regarding MEL practices in all stages of the programme management cycle. The Minimum Standards outlined in this MEL Policy are consistent with Programme Management Policy Minimum Standards and are integrated within the Programme Management Policy.

The MEL Policy outlines the elements (referred to as "Minimum Standards" below) necessary to promote a culture of learning and innovation within the scope of every programme and across the agency, based on credible evidence derived from programme implementation. With adherence to the MEL Policy, our programmes are better positioned to define and measure success, identify challenges for improvement and learning, generate higher quality programmatic evidence, and use that evidence to drive greater lasting impact in the world.

As part of good programme management, the MEL Minimum Standards help all programmes to:

- › Ensure that strong MEL is adequately planned and resourced;
- › Establish an effective MEL system to monitor and evaluate programme implementation;
- › Generate credible evidence to understand and substantiate impact;
- › Use evidence generated through programme monitoring and evaluation to learn about and improve current and future programming;
- › Leverage technology for data quality and timely decision making;
- › Support accountability, meet donor expectations, and mitigate data quality risks, including passing data quality assessments (DQAs); and
- › Improve and maintain Mercy Corps' reputation as a thought leader internally and externally through reporting programme results to stakeholders.

Mercy Corps Netherlands Programme, Compliance, Partnership and Finance Officers, working closely with country teams, are responsible for the monitoring and oversight of programme implementation in countries and regions, including spending and compliance with donor rules and procedures. This includes internal reporting from country offices to Mercy Corps Netherlands, regular video/tele conferences with the team in country and in-country visits. Mercy Corps works with country teams to set up internal reporting for programmes, including monitoring Tola Data, so that the Regional Programme Team can review progress and support programme needs. This ensure technical teams, and where appropriate, donors can be made aware of relevant delays and issues.

At the country level, our MEL team helps Mercy Corps programme teams to make data-driven decisions and ensures that teams have the ability to capture data, effectively measure change, and learn from programme outcomes. Our wealth of tools include the Outcome Area Hub (indicator guide), MEL Wiki, Tola Data (indicator tracking) and programme examples in the digital library. Our Evidence and Learning Unit, globally and with dedicated team members regionally and in country, supports and enables strong

evidence generation, championing an evidence-based practice to strengthen programme performance, and leading multi-departmental processes to improve programme management and quality across the agency.

**Impact figures:** In FY24, Mercy Corps reached close to 38 million people through over 250 programmes in over 40 countries around the world. Mercy Corps Netherlands funded programmes reached close to three million people through 16 programmes. 2.9 million people benefitted as part of economic opportunities interventions, followed by 2.4 million people in food security, over 400,000 in water security and close to 145,000 in peace and good governance.

## Donors and Partners

### Current Donors and Partners

Mercy Corps Netherlands' fundraising was mainly focused on institutional donors and foundations. Programmes in FY24 have been supported by and implemented in partnership with these organisations:

- > Bayer Foundation
- > Cooperative for Assistance and Relief Everywhere (CARE) Netherlands
- > Cooperazione Internazionale (COOPI)
- > Danish Refugee Council (DRC)
- > Dutch Ministry of Foreign Affairs, through various Netherlands embassies
- > East West Tea Company
- > European Commission (EC)
- > European Humanitarian Aid and Civil Protection (ECHO)
- > International Rescue Committee Germany (IRC)
- > International Organisation for Migration (IOM)
- > Irish Aid
- > Italian Development Cooperation
- > Heineken Africa Foundation
- > Netherlands Enterprise Agency (RVO)
- > Norwegian Refugee Council
- > Oxfam
- > Shell International
- > Solidarités International
- > SPARK
- > SNV
- > Swiss Development Cooperation (SDC) through a consortium managed by the Wageningen Centre for Development Innovation

### Communications with Stakeholders

Over the years, Mercy Corps Netherlands has built up positive relationships with a multitude of stakeholders, including donors, government and other institutional agencies, NGOs, networks and other agencies. Through our connections and participation in networks, Mercy Corps Netherlands has become more embedded in Dutch society. In the past year Mercy Corps Netherlands has begun to broaden its focus on building partnerships and connections to increasingly cover non-institutional partners, including corporates, foundations and others. Deliberate efforts are being made to raise the profile of Mercy Corps Netherlands in the Netherlands and Brussels, for instance to more actively engage in networks such as Partos, 'Platform Humanitaire Actie' (PAH) and Brussels-based networks such as VOICE, EPLO (European Peacebuilding Liaison Office) and Philea, and through contributing to a new public support

campaign ('Draagvlakcampagne'), an initiative of approximately 20 organisations aimed at changing the current negative and politicised narrative around development cooperation in the Netherlands.

Towards the end of this year, an external market analysis was conducted. Focusing primarily on the non-institutional charity market, the analysis maps opportunities for Mercy Corps Netherlands to invest in connections and partnerships with foundations and the corporate sector and provides recommendations for the team.

Mercy Corps Netherlands monitors and fulfils its contractual reporting obligations to all donors based on well-established programme management procedures applied throughout its operations. Relationships with donors and other stakeholders are managed collaboratively by Mercy Corps Netherlands together with colleagues from other support offices and the country programme teams. Effective systems are in place for regular reporting on activities for all donor funded activities.

Information about our activities is shared through our website, social media, and through organisation of and participation in thematic events, contributing to public awareness of our activities and impact. Our past annual reports and financial statements, integrity policies, strategy and governance information are available on our website. The website includes links to our integrity hotline (for reports of any ethics complaints) as well as general contact information for suggestions, remarks or complaints.

Our information is also available on the designated CBF page and through links on the websites of membership organisations such as Partos, VOICE and EPLO. Mercy Corps Netherlands' team in the Netherlands engages with peer agencies and other stakeholders by participating in and hosting targeted events showcasing our programme activities, research and analysis.

## **Our People and Culture**

### **Our Team**

Our people are our greatest assets. We endeavour to create a safe and secure environment for them to work and support their wellbeing and professional development through our people function. As a result, we undertake a global engagement survey, All Voices, on a biennial basis. This year we undertook a pulse survey to take the temperature of the initiatives underway and ensure our seven-point action plan was moving in the right direction. Staff engagement was up 3% with the participation rate in the survey standing at 73% of staff. Results from the pulse survey then led to refinement of the action plan which has moved into the implementation stage for the future years.

Mercy Corps is a values driven organisation prioritising its values and behaviours in how we work internally as well as with our partners.

At the end of FY24, Mercy Corps Netherlands team included 41 positions covering support to existing programmes in countries and regions, new programme development, and administrative and operational needs of the organisation. 23 team members were based in The Hague, seven in Brussels, four in Geneva, six in France and one in Ireland. We have increased our presence and engagement in Brussels, in line with our strategic goal of growing our funding and influence with the EU institutions. Mercy Corps Netherlands holds legal responsibility for all Mercy Corps staff based in the European Union.

Mercy Corps Netherlands activities in the Netherlands and Brussels are managed by Robbert van den Berg, Mercy Corps Netherlands Managing Director. Marina Antunovic, former Mercy Corps Netherlands Managing Director, resigned in December 2023. Robbert van den Berg was appointed by the Mercy

Corps Netherlands Board in February 2024. The Managing Director is a member of on the European Senior Leadership Team and serves as the legal representative of the organisation to the EU and ECHO.

## Code of Conduct

Mercy Corps' Code of Conduct policy framework applies to all global teams, inclusive of Mercy Corps Netherlands, to Board, management, and team members, as well as Partners. Mercy Corps has twelve Code of Conduct policies comprising:

- > Global Code of Ethics;
- > Sexual Misconduct Policy;
- > Child Safeguarding Policy;
- > Prevention of Sexual Exploitation and Abuse of Programme Participants and Community Members Policy;
- > Safeguarding Core Standards Policy;
- > Speak Out! Policy;
- > Ethics Complaints and Whistleblower Policy;
- > Anti-Human Trafficking and Exploitation Policy;
- > Discrimination, Harassment and Bullying Policy;
- > Anti-Fraud and Corruption Policy;
- > Conflict of Interest Policy; and
- > Preventing Support for and Transactions with Prohibited Parties Policy.

All policies are available to all staff in Arabic, English, French and Spanish through our Mercy Corps' digital library. Mercy Corps' approach to Ethics and Code of Conduct policies are also publicly available on our website: <https://netherlands.mercycorps.org/who-we-are/ethics-policies>. To ensure that this Code of Conduct remains top-of-mind, staff members receive high quality mandatory training annually on the code of conduct.

The Code of Conduct policies clearly identify the types of prohibited conduct and state that staff must refrain from any acts of misconduct and include the consequences of engaging in conduct that breaches the Code of Conduct policies. Mercy Corps has a zero-tolerance approach for abuse, harassment or exploitation and is committed to ensuring physical and psychological safety within our teams and our programmes.

Mercy Corps internal documents contain commitments to ensure equal treatment and non-discrimination based on race, gender, age, religion, sexuality, culture, or disability. Refer to the Discrimination, Harassment & Bullying Policy which confirms the commitment to a work environment in which everyone is treated with respect and dignity, and which is diverse and inclusive and where working relationships are based on and built around mutual respect, and are free of bias, prejudice, and harassment. The Policy applies globally.

Our Code of Conduct and efforts to strengthen our organisational culture are key parts of Mercy Corps' commitment to Safety, Diversity, and Inclusion (SDI) in our operations and programmes. Ensuring safety, diversity, and inclusion across Mercy Corps' global operations and programmes is critical for contributing to resilient and inclusive communities. Mercy Corps believes that it is essential that we model the change

we want to see in communities worldwide, and that each Mercy Corps team member plays a role in upholding Mercy Corps' commitment to SDI. Mercy Corps has a number of tools and resources to support these commitments, including Gender, Diversity and Inclusion (GDI) Diagnostic Process.

Mercy Corps' SDI commitment affects all of our global team members and all aspects of our organisation and work. Our Safeguarding, Safety and Security, People, Gender, Diversity, and Inclusion, Social Inclusion, Community Accountability, and Localisation teams are responsible for equipping our global team members with the knowledge, standards, and practices to be safer, more diverse, and inclusive in our operations and programmes. These teams also help the organisation track progress towards this commitment. Leaders across Mercy Corps are accountable for prioritising and modelling SDI. All team members are responsible for embracing SDI knowledge, practices, and behaviours to bring this commitment to life.

## Core Behaviours

The Core Behaviours are specific actions and behaviours that all team members, at all levels of the organisation, must demonstrate to realise our values and our shared vision of more inclusive and resilient teams and communities.

- › **Cultivate Inclusion:** We are at our best when we bring the full diversity of our identities, experiences, and perspectives together to tackle the world's most complex challenges.
- › **Collaborate:** We believe in showing up for ourselves and our team members each day with collaboration and mutual respect.
- › **Act with Integrity:** We hold ourselves and each other accountable to our values and ethical principles.
- › **Be Curious:** We embrace the knowledge and experience of the people with whom we work, using these perspectives to reflect, learn, grow, and adapt.

These Core Behaviours were created with significant input from across the organisation to establish a common value set from our Pathway to Possibility, Organisational Priorities, Code of Ethics, Localisation Strategy, and Inclusion Framework.

## Remuneration

Mercy Corps promotes a workplace that emphasises employee wellbeing, holistically supported through a comprehensive benefit package that helps team members care for themselves and their families.

Mercy Corps Netherlands' compensation package was reviewed this year following a comprehensive market analysis to ensure we remain competitive in a fast-changing economic situation. Our new compensation package – competitive pay and comprehensive benefits – is designed to both attract and retain high-calibre, diverse, high-performing individuals at all levels. Mercy Corps Netherlands evaluates external market data and internal organisational context on a regular basis to ensure that our compensation packages are competitive, equitable and represent responsible stewardship of organisational resources. Mercy Corps Netherlands maintains a banded pay structure that has been established with input by third-party compensation consultants, which reflects differences in the employment markets of our office locations and respects the level of responsibility for each team member. Additionally, team members can expect annual pay increases based on their individual performance, dependent upon the availability of funds, and informed by the current and next year's financial position of Mercy Corps Netherlands.

Mercy Corps Netherlands' benefit package includes family friendly and flexible working approaches that assist team members in finding meaningful work-life balance, team member care support, pension scheme and a complementary healthcare programme. We continue to support a hybrid working environment, supporting staff to work from home as well as hosting in-person days to promote our culture, values and behaviours and build team spirit.

Mercy Corps Netherlands follows the guideline for Directors' Remuneration of the Dutch association for fundraising organisations Goede Doelen Nederland.

## **Priorities for the next financial year**

The first half of the new financial year will see the finalisation of a new Strategic Policy Plan for the Netherlands, from July 2024 till June 2027. This new 'Policy Plan' builds on the current Policy Plan which expired in June 2024 and will be guided by the strategic ambitions and priorities of the organisation's global Pathway to Possibility strategy. The below mentioned priorities and initiatives for Mercy Corps Netherlands in the coming year will be guided by the strategic ambitions of the new 2024-2027 strategy. They are:

- › Strengthen our role as a key influencer of Dutch and European humanitarian and development policy.
- › Diversify and strengthen our funding base in the Netherlands and Brussels.
- › Enhance the visibility and influence of Mercy Corps in the Netherlands and Brussels.

Our programming will seek to incorporate climate-sensitive approaches, as well as ensure we are working with and through partners where possible as a first priority, guided by our locally led commitments. In line with the organisation's global strategy, priority themes for Mercy Corps Netherlands include climate adaptation, sustainable energy, water security, economic opportunities and peacebuilding. An external market assessment conducted in June 2024 confirms that they align well with the priority themes for the new government in the Netherlands and that they also align with those of a diverse range of other potential donors, including foundations and corporates.

A key focus for the coming year will be to build our network of partners and potential donors and engage more actively in networks and other relevant spaces, such as Impact Fest. This includes reviewing the networks in the Netherlands and Belgium with which Mercy Corps Netherlands has a membership and potentially joining new networks (such as the Netherlands Water Partnership).

Additionally, Mercy Corps Netherlands will also raise its profile and establish itself as thought leader on important topics through organising and hosting various events. Two important ones have already been scheduled: the Netherlands launch of Mercy Corps' global Climate: Possible campaign in November 2024 and a peacebuilding event organised together with EPLO and PAX, also in November.

Another important priority for the coming year will be to follow up on the June 2024 market assessment and further explore opportunities in particular with corporates and foundations. To further boost our existing efforts, additional investments are being made and staff capacity increased.

Closer alignment with EU institutions in Brussels will also be an important focus for this year. Our EU engagement strategy is being finalised, targeting EU institutions with sharpened advocacy, influencing and fundraising objectives. Additional institutional funding capacity will also ensure closer coordination and collaboration with countries where there are opportunities for EU funding. Connecting key staff from our country programmes with stakeholders in Brussels will also help increase Mercy Corps' visibility and

support our policy and advocacy work in Brussels. We aim to strengthen our partnerships, increase our brand visibility in Europe and build our reputation as an organisation supporting communities to cope, adapt and thrive in countries impacted by conflict and climate.

We will undertake deep engagement with European donors and policy makers, ensuring our research and learning is widely shared with them to inform future policy and practice, as well as learning from the sector more widely too. We will continue to support our country and regional teams to thrive, delivering quality, impactful programming with access to funding aligned to their country strategies. To maximise our fundraising potential, we will adopt a more integrated approach to EU and NL donor relations. By leveraging the strengths of both our EU and NL teams, we aim to create synergies that enhance our ability to secure funding and build strong, long-term donor relationships.

We will continue to strengthen our financial systems to ensure greater efficiency and effectiveness in how we deliver our programming, as well as establishing a strong data and evidence base to strengthen our ability to evaluate our reach and impact. Mercy Corps remains committed to increasing diversity and supporting inclusion at all levels within the organisation and will continue to set targets which encourage us to stretch ourselves to improve diversity, and support equity and inclusion.

We will also continue to improve our systems, benefits, policies and procedures to support our people, ensure the recruitment and retention of highly skilled talent within Europe and build our culture which aligns with our values and behaviours. Investments this year will include building out a European Marketing Function, led by a Director of Marketing for Europe, from March 2025. This will support Mercy Corps Netherlands' efforts to engage with corporate donors and foundations in Europe, and continued expansion of our engagement with European governments.

In FY25, we will be building on the work started in FY23 as part of the Compensation Review to ensure our compensation package remains competitive for the sector in the markets in which we recruit. We will also work to action the plans identified as priority from our all-staff survey (September 2024) and ensure we invest in teams as required to meet our strategic goals over the next three years. This year we will recommence the review of benefits across Europe, including in the Netherlands, to maintain our external competitiveness to attract and internally to retain high-calibre, high-performing talent. We will be undertaking a review of talent acquisition across the region aligning practices globally.

## Financial Performance

Full results for the year to 30 June 2024 are set out in the financial statements on pages 26-41. The annual accounts have been prepared primarily in accordance with the Guideline RJ650 in combination with other applicable accounting standards for providing the required insight, which applies to Dutch charitable organisations. The applicable accounting policies are set out on pages 28-33.

Mercy Corps Netherlands' funding portfolio is primarily made up from EC funding (direct and in partnerships with peer agencies), corporates, foundations and trusts, European governments including the Dutch government, and other INGOs.

### Income

Total income for the year was €35.5m, an increase of €14.2m (FY 2023: €21.3m), the majority of this revenue was restricted entirely for international programmes. Progress was made during the year to further diversify Mercy Corps Netherlands' donor base, through new partnerships with peer agencies,

corporates, trusts and foundations, as well as a launch of new Dutch government funded projects. The increase in income was largely generated through activities funded by the EC/ECHO. Other income consisted primarily of interest from bank accounts and decreased from €1m in FY 2023 to €0.1m in FY 2024. The FY2023 amount consisted of a €1m donation from Mercy Corps Europe.

## Charitable Expenditure

The overall expenditure was €37m and total expenditure relating to projects in the year were €35.6m (FY 2023: €19.9m). Our programmes continued to reach communities in the world's most fragile and challenging places, delivering critical assistance in countries such as Ukraine, Syria, Sudan, Yemen, and DRC. Our growing partnerships with the EC resulted in increased support for programmes in these countries. We continued to expand our network of partners and supporters from the private sector, peer organisations, local communities and community-based organisations, mobilising support and resources needed to deliver our programmes across key sectors addressing the challenges driven by conflict and climate change.

Total management and administration costs for the Mercy Corps Netherlands office in the Netherlands was €1.3m (FY 2023: €0.7m) with this increase consisting of staffing cost increases, office cost increases and general cost increases further grow our operational capacity. More information is available in the personnel note.

## Net Loss

Mercy Corps Netherlands' financial activity resulted in net loss -€1.6m (FY 2023: -€0.2). Whilst Mercy Corps Netherlands recorded significant revenue growth in the period, the non-recurring donation from Mercy Corps Europe, FX losses, and lower proportional internal cost recovery due to broader donor mix each contributed to the increase loss during the year.

## Financial Risk and Cash

Financial risk is managed by continuously monitoring the cash flow sensitivity resulting from timely delivery of international programmes and timely recognition of unrestricted income. We monitor our global risks closely with oversight by the Enterprise Risk Management Committee and Board oversight.

Mercy Corps Netherlands holds cash in current and deposit accounts with Rabobank and Wells Fargo. Cash is held in donor currencies and the equivalent EUR holdings stand at €39.8m (FY 2023: €19.4m). The increase in programme funding has increased cash advances by EU donors which constitutes the majority of the cash in the bank.

Mercy Corps Global advances cash to the country operations for Mercy Corps Netherlands donor funded programmes and is subsequently reimbursed by Mercy Corps Netherlands after field teams spend and reconcile the advances. There is also an intercompany payable due to Mercy Corps Europe for advances and for expenditures relating to HQ and payroll costs. The net intercompany payable balance to related parties is €13.6m (FY 2023: €8.1m).

## Reserves, Reserves Policy and Going Concern

Further cash flow risk mitigation is provided by the annual review of the reserve policy and the setting of our working capital level. The general and continuity reserves provide comfort that the entity will be able to meet its obligations in case of a significant reduction to sources of funding.



The charity has best practices in place to manage its reserves and aims to hold reserves against the risk of unexpected losses and to help ensure the ongoing concern of the organisation and any other unanticipated financial risks. The total reserves stand at €2.2m (FY 2023: €3.8m). The decrease in restricted reserves is due to the Ukraine Emergency Response programme income being recognised in FY22 but programme activities taking place during FY23 and FY24.

Unrestricted reserves decreased to €1.4m (FY 2023: €1.8m). The designated portion of this is €0.5m of Continuity Reserve, the remainder are General reserves. The decrease driven in part due unfavourable foreign exchange gains as the USD strengthened against the Euro as well as higher non-charitable expenditure than amounts recovered through internal cost recovery. Our funding is primarily in Euros while expenditures are in US dollars, which is managed by holding restricted donor funds in that currency until settled.

The Board of Directors, in arriving at a decision for continuity reserves, have examined the requirement for the fund. The Directors have considered the following points:

- › The nature of our work and the vulnerability of grants, contracts, and donation funding flows.
- › Quick response to emergencies where immediate mobilisation funds are needed.
- › Adequate working capital to meet cash flow needs.
- › Cover for potential long-term commitments relating to staff and leases.
- › Funders' viability criteria and other financial risks.

The aim of the continuity reserves is to provide sufficient funds to protect Mercy Corps Netherlands against unexpected loss from the above. The Board of Directors are mindful of the shifting landscape and changing donor environment impacted by economic challenges on a global scale. Consequently, they wish to adopt a prudent approach to reserves. On that basis, the Management Board has maintained a €500k continuity reserve minimum requirement, based on a risk assessment to an equivalent of six months of total operational expenditure.

The Board of Directors are confident that the charity has sufficient funds to meet its liabilities as they fall due, and we have prepared these financial statements on a going concern basis.

The Strategic Report and Accounts was approved by the Board of Directors on 7<sup>th</sup> November 2024 and signed on their behalf by:



**Ludovic Subran**

Board Chair, Mercy Corps Netherlands

Date: 8 November 2024

# Financial Statements

## Balance sheet as at 30 June 2024

(after proposed appropriation of result)

	Note	30 June 2024 EUR	30 June 2023 EUR
Receivables	1	7,018,912	9,166,766
Cash and cash equivalents	2	39,777,158	19,418,812
<b>Total Assets</b>		<b>46,796,070</b>	<b>28,585,578</b>
<b>Reserves</b>			
General Reserve	3	935,270	1,283,501
Designated Reserve	3	774,862	2,016,451
Continuity Reserve	3	500,000	500,000
Short-term liabilities	4	44,585,938	24,785,626
<b>Total liabilities</b>		<b>46,796,070</b>	<b>28,585,578</b>

## Statement of income and expenses for the year 2024

	Note	2024 BUDGET	30 June 2024 EUR	30 June 2023 EUR
<b>INCOME</b>				
Corporate Foundations & Trusts	5	5,668,864	6,477,222	12,842,674
Government grants	6	26,072,733	28,948,979	7,440,158
Other income	7		120,897	1,002,202
<b>Total fundraising income</b>			<b>35,547,098</b>	<b>21,285,034</b>
<b>Sum of income</b>			<b>35,547,098</b>	<b>21,285,034</b>
<b>Objectives Expenses</b>	8			
<b>Project Activities</b>				
Civil Society		6,277,318	7,335,034	5,946,886
Economic Development		5,117,785	5,980,122	6,015,480
Public Healthy, Water and Environment		6,100,767	7,128,734	4,898,541
Disaster Management		12,300,439	14,373,039	3,075,459
Policy and Advocacy		246,167	130,984	100,796
Strategy and programmes		796,492	635,435	1,025,480
<b>Sum of expenses on objectives</b>			<b>35,583,348</b>	<b>21,062,642</b>
Fundraising Expenses	9	71,860	62,917	13,147
Management and administration expenses	10	1,351,420	1,323,382	696,800
<b>Sum of expenses</b>			<b>36,969,647</b>	<b>21,772,589</b>
<b>Sum before financial (costs)</b>			<b>(1,422,549)</b>	<b>(487,555)</b>
Financial (loss)/gain	11		(167,271)	257,062
<b>Net loss</b>			<b>(1,589,820)</b>	<b>(230,493)</b>

## Statement of Cashflow for the year 2024

	30 June 2024 EUR	30 June 2023 EUR
<b>Cashflow from operating activities</b>		
Net loss	(1,589,820)	(230,493)
Decrease/(increase) in debtors	2,147,854	(6,734,102)
Increase in creditors	19,800,312	16,663,370
<b>Cash provided by operating activities</b>	<b>20,358,346</b>	<b>9,698,775</b>
Increase in cash and cash equivalents at the end of the year	20,358,346	9,698,775
Cash and cash equivalents at the beginning of the year	19,418,812	9,720,037
<b>Total cash and cash equivalents at the end of the year</b>	<b>39,777,158</b>	<b>19,418,812</b>
<b>Cash and cash equivalents comprise:</b>		
Bank Accounts	39,777,158	19,418,812

## Appropriation of the result for the year 2024

	30 June 2024 EUR	30 June 2023 EUR
<b>(Withdrawal from)/addition to:</b>		
General reserve	(348,231)	964,431
Designated Reserve	(1,241,589)	(1,194,923)
Continuity reserve	-	-
<b>Total change in reserves and funds</b>	<b>(1,589,820)</b>	<b>(230,492)</b>

The notes to the balance sheet provide further information about the composition of reserves and funds.

# Notes to the 2024 Annual Accounts

## General

These are the annual accounts of Mercy Corps Netherlands. Mercy Corps Netherlands is registered in The Hague, Netherlands as an Association under the Dutch Trade number 70333564 and came into operation on 19 December 2017. Mercy Corps Netherlands is registered in The Netherlands and recognised as an ANBI (Algemeen Nut Beogende Instelling) by the Dutch tax authorities. Mercy Corps Netherlands is located in The Hague at The Humanity Hub, Fluwelen Burgwal 58, 2511 CJ The Hague.

Mercy Corps Netherlands was established as an independent, non-profit association and operates in collaboration with its affiliate organisations, Mercy Corps Europe and Mercy Corps Global as one global organisation. All three entities share the same mission, vision, core values and charitable objectives.

The relationship between Mercy Corps Netherlands and Mercy Corps Europe is governed by a Governance Agreement and Memorandum of Understanding that also includes Mercy Corps Global and which covers matters relating to programmes, funding, governance, intellectual property and other legal affairs. Mercy Corps Netherlands is an affiliated entity and is consolidated into Mercy Corps Europe.

The activities of Mercy Corps Netherlands consist mainly of providing humanitarian aid, economic opportunities, food security and peacebuilding and conflict mitigation support to communities affected by conflict and climate change. Mercy Corps Netherlands delivers this through local country offices operating projects and programmes in country. Mercy Corps Netherlands believes that secure, productive and just communities emerge and endure when the private, public and civil society sectors interact with accountability, inclusive participation and mechanisms for peaceful change.

## Basis of Preparation

The annual accounts 2024 are dated 30 June, 2024. The annual accounts have been prepared primarily, as much as possible, in accordance with the Guideline RJ650 in combination with other applicable RJ for providing the required insight, which applies to Dutch fundraising organisations. The accounting policies have been consistently applied to all the years presented.

The valuation of assets and liabilities and of income and expenses is based on historical cost, unless otherwise stated in the further accounting principles. The assumption of continuity was applied for the preparation of the annual accounts.

The financial statements of Mercy Corps Netherlands have been prepared on the basis of the going concern assumption.

## Budget

The budget forecasting process identifies relevant costs for the financial year ahead and is approved at Board level. The process takes into account current operations and any expected increase or decrease in activity, expected successful proposal developments for new grants, impact of changes in existing grants and expected HQ resource requirements. The budget is reported and compared to actuals on a monthly basis.

There continues to be difference between the budget to actual performance. This is due to the continued growth phase of the organisation, unpredictable nature of securing projects, timing of project expenditure and ability to engage resource in a timely manner.

## **Financial Reporting Period**

Mercy Corps Netherlands financial year runs from 1 July 2023 to 30 June 2024.

# **Accounting policies for the measurement of assets and liabilities and the determination of the result**

## **General**

Unless stated otherwise, assets and liabilities are shown at historical costs.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

Income is recognised in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the statement of income and expenses, taking into account any provisions related to the transaction.

If assets are recognised of which Mercy Corps Netherlands does not have the legal ownership, this fact is being disclosed. Income and expenses are allocated to the respective period to which they relate.

## **Functional and Presentation Currency**

The financial statements of the legal entity are presented in euros, which is the functional and presentation currency of Mercy Corps Netherlands.

## **Transactions in Foreign Currencies**

At initial recognition, transactions denominated in a foreign currency are translated into euros, the functional currency of Mercy Corps Netherlands, at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into euros at the exchange rate of that date. Exchange differences resulting from the settlement of

monetary items or resulting from the translation of monetary items denominated in foreign currency, are recognised in the statement of income and expenses in the period in which the exchange difference arises.

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into euros at the exchange rates at the date of the transactions.

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash-in-hand and bank balances. Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in euros at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

### **Reserves and Funds**

The additions to and the withdrawals from the reserves and funds take place from the appropriation of results. The general fund is an unrestricted fund which is available for use, at the discretion of the directors, in furtherance of the general objectives of the charity and which has not been designated for other purposes.

#### **Designated reserve**

The designated reserve is a reserve to ringfence funds which are to be used for a specific purpose or nature, for example for expenditure relating to a restricted donation for a specific purpose, where there is a timing delay between receipt of income and spend on the cause.

#### **Continuity reserve**

The continuity reserve is a reserve to which the Board of directors of the organisation have made a more limited spending option than would exist on the basis of the Articles of Association. The continuity reserve covers risks that are not addressed in any other designated reserve. The continuity reserve should, for example, create a sufficiently large buffer to enable Mercy Corps Netherlands to complete or terminate ongoing programmes appropriately and meet its legal and moral obligations in case of a significant shortfall of key sources of funding.

### **Financial Instruments**

Mercy Corps Netherlands do not have an investment policy at this time as all incoming funds are intended for the use on programme objectives and do not hold sufficient reserves to invest in other financial instruments.

These financial statements contain the following financial instruments: other receivables, cash items, trade payables and other amounts payable. Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs.

After initial recognition, financial instruments are valued in the manner described below.

### **Non-current and current liabilities and other financial commitments**

Non-current and current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the statement of income and expenses.

Redemption payments regarding non-current liabilities that are due next year, are presented under current liabilities.

## **Income Recognition**

### **Income**

Income is recognised in the period in which there is legal entitlement, any performance conditions attached to the income have been met, the amount can be quantified with reasonable accuracy and there is probability of receipt.

Income is shown within two main categories in the Statement of Income and Expenses: corporate foundations & trusts and government grants.

All incoming funds are intended for the use on programme.

### **Revenue donations**

Unrestricted donations are accounted for as income in the earliest reporting period that they were received or committed to.

### **Income from companies or government grants**

This comprises grants and contracts which are recognised using the performance model. Funds are recognised as income from charitable activities once there is entitlement, reasonable probability of receipt and the amount can be measured with sufficient reliability. Many projects are funded on the basis of claims made for actual expenditure incurred and are subject to post-project operational and financial reports. There remains the possibility that certain expenditure may be disallowed, and all income may not be spent.

Where grant funding is received in advance of Mercy Corps Netherlands meeting any performance-related conditions, receipts are credited to deferred income until such times as those conditions have been met. The donors have the right to repayment of disallowed expenditure and/or unused funds. Consequently, such income remains deferred until used or repaid, rather than being treated as unspent funds.

### **Interest Income**

Interest income is recognised in the statement of income and expenses on an accrual basis, using the effective interest rate method.

## **Expenses**

Wherever possible, expenses are attributed to the expenditure on management and administration or to the objective directly. Where this is not possible, staff costs are apportioned among the functions to which they relate on the basis of estimated time allocation, and other indirect costs are allocated based on the FTE.

## **Leasing**

Mercy Corps Netherlands may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

At inception of an arrangement, Mercy Corps Netherlands assesses whether the lease classifies as a finance or operating lease.

### **Operating leases**

If Mercy Corps Netherlands acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised to the statement of income and expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

## **Employee Benefits**

Salaries, wages, social security contributions and pension contributions are taken to the statement of income and expenses based on the terms of employment, when they are due to employees or providers.

## **Determination of Fair Value**

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

## **Related Parties**

Mercy Corps Netherlands, Mercy Corps Europe and Mercy Corps Global work closely together under a Memorandum of Understanding and a Governance Agreement. In some instances, organisations will pool administrative and technical resources for the benefit of their respective projects. In such cases a re-charge of the actual costs incurred will be made between Mercy Corps Netherlands, Mercy Corps Europe and Mercy Corps Global.

Related party transactions include any income or expenditure made or received by Mercy Corps Netherlands on behalf of Mercy Corps Global or Mercy Corps Europe, largely relating to personnel and team member expenses incurred.

Mercy Corps Global own and operate all global field offices from which Mercy Corps Netherlands projects are delivered, including employing field staff. Mercy Corps Global advance operating funds to the field offices to allow them to finance their project delivery. This expenditure information is reported from the field office to Mercy Corps Netherlands, and a liability is created to Mercy Corps Global for reimbursement



of the advance to the amount of expenditure incurred in USD. This liability is confirmed and settled up to the amount of donor funds available at the time, through a monthly reconciliation process.

Direct expenditure by field offices and / or Mercy Corps Global on Mercy Corps Netherlands programmatic activity is not treated as related party expenditure.

## Fixed Assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably. Mercy Corps Netherlands currently do not hold any fixed assets. Donated fixed assets are included at fair market value having regard to the age and condition of the assets concerned. All assets financed by donor funding for specific projects are written off at the time of purchase through the statement of financial activities because in the majority of cases the projects are of limited duration and at the end of which the assets can be donated to the ongoing project. Therefore, such assets have not been incorporated in the balance sheet.

## Main Financial Trends

Mercy Corps Netherlands continues to build on their project activity through an increase in the number of grants entered into, and project expenditure incurred to deliver these grants. This is reflected in the increase in income to €35.6m in FY24 (2023 €21.3m). Project expenditure increased to €34.8m (2023 €20.2m).

# Notes to the balance sheet as of 30 June 2024

## 1. Receivables

	30 June 2024 EUR	30 June 2023 EUR
Receivable from donors	6,595,005	6,268,893
Other receivables	98,700	253,924
Receivables from Related Parties	325,207	2,643,949
<b>Receivables</b>	<b>7,018,912</b>	<b>9,166,766</b>

All receivables are expected to be received within one year and relate to our day to day operations.

A provision for doubtful receivables is deemed unnecessary and therefore no provision is recognised for this year (2023: EUR 0).

Receivable from donors relates to funds due from donors for projects in which expenses have already been paid by Mercy Corps Netherlands as of 30 June 2024.

Other receivables include, for example, prepayments and advances to employees.

Receivables from Related Parties include recharged employees and other expenses paid on behalf of Mercy Corps Europe and Mercy Corps Global, and partner project advance managed through Mercy Corps Global.

The carrying values of the recognised receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognised, if necessary.

## 2. Cash and Cash Equivalents

	30 June 2024 EUR	30 June 2023 EUR
Cash and cash equivalents in the Netherlands	39,777,158	19,418,812
<b>Total</b>	<b>39,777,158</b>	<b>19,418,812</b>

The balance of cash and cash equivalents is readily available to Mercy Corps Netherlands.

Cash is held in donor funds currency including EUR, GBP, USD, CHF and DKK.

## 3. Reserves

	1 July 2023 EUR	Additions EUR	Withdrawals EUR	30 June 2024 EUR
General reserve	1,283,501	1,971,783	(2,320,014)	935,270
Designated reserve	2,016,451	33,575,314	(34,816,903)	774,862
Continuity reserve	500,000	-	-	500,000
<b>Total reserves</b>	<b>3,799,952</b>	<b>35,547,097</b>	<b>(37,136,917)</b>	<b>2,210,132</b>

The capital consists of a general reserve, a designated and a continuity reserve. The general reserve gives a clear picture of the surpluses / deficits from regular activities. The designated reserve was created to ringfence funds which have been donated to the organisation for use for specific purpose or defined areas of need. The continuity reserve was formed to maintain the association and cover related expenses.

## 4. Short Term Liabilities

	30 June 2024 EUR	30 June 2023 EUR
Grants received in advance	27,496,758	16,138,643
Payables to related parties	13,608,189	8,061,041
Payables to personnel – employee expenses	7,088	5,583
Audit fee	80,000	51,000
Other liabilities	3,296,301	441,050
Employee holiday allowance accrual	97,602	88,309
<b>Short-term liabilities</b>	<b>44,585,938</b>	<b>24,785,626</b>

All short-term liabilities are due within one year.

Grants received in advance relates to project income received in advance, or the balance of income held for projects, where performance related conditions have not yet been met.

Payables to related parties with Mercy Corps Netherlands are the intercompany balance representing funds owed by the Charity to Mercy Corps Europe and Mercy Corps Global for funding advances to the charity's projects and in respect of the settlement of expenditure.

Other liabilities include year-end payroll liabilities not yet paid and trade creditors.

The carrying values of the recognised liabilities approximate their respective fair values, given the short maturities of the positions.

**Financial risks and financial instruments**

During its normal operations, Mercy Corps Netherlands is exposed to currency, interest, cash flow, credit and liquidity risks. To control these risks, Mercy Corps Netherlands has instituted policies and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the ability of Mercy Corps Netherlands to fulfil its objectives.

Mercy Corps Netherlands does not apply nor trade in financial derivatives, such as interest rate swaps, forward exchange contracts or options to control its risks. Its main risk mitigation measures are described below. Any risk relating to liquidity is mitigated through strong project budgeting and cash flow monitoring.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

**Credit risk**

The probability and impact of financial loss to Mercy Corps Netherlands due to a bank going bankrupt is mitigated by strict bank assessment procedures when opening a bank account.

The probability and impact of financial loss to Mercy Corps Netherlands due to the amount of outstanding receivables and concentrations of credit risk is considered low due to the status and reputation of the debtors the organisation engages with and their ability to honour any debts.

**Foreign exchange rate risk**

Mercy Corps Netherlands is exposed to currency risk on project obligations that are denominated in a currency other than the contractual currency of the grant contract that relates to such a project. The currencies in which these project obligations primarily are denominated are EUR and USD. The currencies in which Mercy Corps Netherlands donor grant contracts are denominated are primarily EUR and USD. Mercy Corps Netherlands policy is to denominate its contractual obligations as often as possible in the same currency as the donor's currency and to hold bank balances in the donor currency, so that the real exchange rate is closest to the reporting exchange rate. Mercy Corps Global often meet project expenditure on behalf of Mercy Corps Netherlands resulting in an intercompany balance. FX balances often result due to the nature of underlying project expenditure in local currency, reporting in donor currency and intercompany repayment in USD. Mercy Corps Netherlands does not hedge with any derivative instruments its estimated foreign currency exposure in respect of forecasted purchases over a future period.

**Off-balance sheet obligations and rights**

Mercy Corps Netherlands off-balance sheet obligations and rights are as follows and are further explained in the text below the table.

	<b>Total EUR</b>	<b>Due in 1 year EUR</b>	<b>Due in 1-5 years EUR</b>	<b>Due after 5 years EUR</b>
<b>Office facility rental</b>	45,486	41,282	4,204	-
<b>Off-balance sheet obligations</b>	45,486	41,282	4,204	-

These obligations are the lease terms that cover rented office space.

# Notes to the statement of income and expenses as of 30 June 2024

## 5. Income from Corporates, Foundations and Trusts

Restricted income from corporates, foundations and trusts.

	Budget 2024	2024 EUR	2023 EUR
Other companies - grant income	5,668,864	6,477,222	12,842,674
<b>Total income businesses</b>	<b>5,668,864</b>	<b>6,477,222</b>	<b>12,842,674</b>

Grant income is of a restricted nature and received for the purpose of delivering grant and project activities in line with Mercy Corps Netherlands' objectives. Income is recognised in compliance with grant conditions using the performance model and on the basis of claims made for actual expenditure incurred.

## 6. Income from Government Grants

Income from governments includes income from individual governments, as well as from governmental bodies and from organisations that receive the vast majority of their funding from governments. All Mercy Corps Netherlands income from governments is incidental, although part of the income is related to multiyear grants. All grants have an end date and are recognised in the period to which they are entitled.

	Budget 2024	2024 EUR	2023 EUR
Dutch Government	1,478,818	1,157,985	204,757
Other Government Grants	24,593,915	27,790,994	7,235,401
<b>Total income from governments</b>	<b>26,072,733</b>	<b>28,948,979</b>	<b>7,440,158</b>

## 7. Other Income

Income received from bank interest during the year.

	2024 EUR	2023 EUR
Bank interest	93,785	2,202
Related Party donation	-	1,000,000
Voluntary income	27,112	-
<b>Total interest income</b>	<b>120,897</b>	<b>1,002,202</b>

## 8. Expenses on Objectives

Expenses towards project, policy and advocacy and strategy and programmes are costs related to the implementation of Mercy Corps Netherlands programmatic activities. Mercy Corps Netherlands implements its projects itself as well as by partner organisations. Costs of project activities include expenses such as cash distributions, staff costs, materials purchased, location rent, transport costs and office expenses. Costs of policy and advocacy and strategy and programmes include costs of office and personnel.

Total Expenses on Objectives represents 96% of the total annual expenditure of Mercy Corps Netherlands.

	Budget 2024	2024 EUR	2023 EUR
<b>Project activity expenses</b>			
Civil Society	6,277,318	7,335,034	5,946,886
Economic Development	5,117,785	5,980,122	6,015,480
Public Health, Water and Environment	6,100,767	7,128,734	4,898,541
Disaster Management	12,300,439	14,373,039	3,075,459
Policy and advocacy	246,167	130,984	100,796
Strategy and programmes	796,492	635,435	1,025,480
<b>Total expenses on objectives</b>	<b>30,838,968</b>	<b>35,583,348</b>	21,062,642

## 9. Expenses on Fundraising

Expenses on fundraising includes costs of personnel, office and travel spent on fundraising activities and represents less than 0.2% of the total annual expenditure. Mercy Corps Netherlands do not currently fundraise from individuals thus this % is low.

	Budget 2024	2024 EUR	2023 EUR
Expenses on fundraising	71,860	62,917	13,147
<b>Total expenses on fundraising</b>	<b>71,860</b>	<b>62,917</b>	13,147

## 10. Management and Administration

Management and administration includes the costs of office, audit fees, legal fees and personnel and represents 4% of the total annual expenditure.

	Budget 2024	2024 EUR	2023 EUR
Management and administration	1,351,420	1,323,382	696,800
<b>Total management and administration</b>	<b>1,351,420</b>	<b>1,323,382</b>	696,800

## 11. Financial (Loss)/ Gain

	2024 EUR	2023 EUR
Exchange rate differences	(167,271)	257,062
<b>Financial (loss)/gain</b>	<b>(167,271)</b>	257,062

## Personnel Costs

Mercy Corps Netherlands total personnel expenses are specified below.

Average number of FTE 36 (2023: 35).

	2024 EUR	2023 EUR
Gross wages and salaries	1,293,095	1,210,561
Pensions	70,021	56,372
Social Security & benefits	253,814	228,559
<b>Total Personnel expenses</b>	<b>1,616,930</b>	<b>1,495,492</b>

## Attribution of Expenses

	Project activities EUR	Policy and advocacy EUR	Strategy and programmes EUR	Expenses for fundraising EUR	Management and Admin EUR	Total Expenses EUR
Procurement	2,647,166	-	68	-	328	2,647,562
Outsourcing	11,144,278	-	-	-	-	11,144,278
Staff	6,252,662	86,608	550,700	62,917	918,581	7,871,468
Travel expenses	566,769	744	33,307	-	37,260	638,080
Housing	290,777	-	-	-	-	290,777
Office Costs	543,337	-	1,338	-	88,532	633,207
General costs	13,371,940	43,632	50,022	-	278,681	13,744,275
<b>Total</b>	<b>34,816,929</b>	<b>130,984</b>	<b>635,435</b>	<b>62,917</b>	<b>1,323,382</b>	<b>36,969,647</b>

The above clarification of the attribution of expenses towards expense categories is in accordance with Annex 3 of the accounting guideline RJ650. All costs associated with delivering grant programmes are allocated to project activities. All office support costs are presented under Management & Admin. All fundraising expenses are presented under Expenses on fundraising. Project expenditure costs include cash transfers to beneficiaries on humanitarian programmes. Procurement costs include the cost of materials and supplies on capacity building programmes. Outsourcing costs relate to the cost of contracted services for external consultants and legal fees. Staff costs include salary, social security, pension and other benefits associated to personnel. Housing costs include contributions to accommodation for staff working on field programmes and office rent. Office costs include utilities, printing, postage and stationery. General costs include vehicle rent & repairs, storage costs, memberships and bank charges. Personnel costs are allocated based on employee time spent relating to each activity and classification. Other costs are allocated based on employee time split unless attributable to a specific activity.

## Appropriation of the Result

On 7 November 2024, the Board of Mercy Corps Netherlands discussed the annual report and the financial statements 2023. The Board adopted the annual report and the annual accounts of Mercy Corps Netherlands, including the proposed appropriation of the loss. The members of the Board as of 7 November 2024 are:

Ludovic Subran - Board Chair	Thierry Tanoh
Carin Beumer	Linda McAvan
Pepijn van Dijk	Vijaya Gadde

### EUR

(Withdrawal from):

General reserve	(348,231)
Designated reserve	(1,241,589)
Continuity reserve	-
<b>Total change in reserves and funds</b>	<b>(1,589,820)</b>

## Events after the balance sheet date

No events have occurred between the balance sheet date and the date on which the Board adopted the annual accounts, which would affect the 2024 annual accounts or the condition of Mercy Corps Netherlands at the end of the financial year or thereafter. No subsequent events occurred between balance sheet date and the date that the statements were adopted that did not affect Mercy Corps Netherlands' figures as of year-end but need to be disclosed due to their significance/nature.

## Remuneration of Directors

The total remuneration of the Managing Directors of Mercy Corps Netherlands during FY24 was €78,442 and €43,746 which are individually below the maximum of €120,741 as set by the guideline for Directors' Remuneration of the Dutch association for fundraising organisations Goede Doelen Nederland (GDN), based on a BSD score (BasisScore Directiefunctie) for Mercy Corps Netherland of 379 points. Together the combined amount is above this threshold, due to payments made upon conclusion of employment.

The annualised remuneration of the Managing Directors, together with all taxable allowances and all employer's charges, pension compensation and other remuneration for the FY24 was €83,258 and €47,830.

EUR

Marina Antunovic: Director  
Period of employment: 01.07.2023 – 29.12.23  
Hours/week: 40

Annual income	
Gross salary	73,488
Holiday allowance	4,934
Total director remuneration	78,442
Taxable allowances	1,350
Pension	3,486
Social Security	5,688
Total remuneration and benefits 2024	<b>88,946</b>
Total remuneration and benefits 2023	129,228

EUR

Robbert van den Berg: Managing Director  
Period of employment: 04.02.2024—30.06.2024  
Hours/week: 40

Annual income	
Gross salary	40,873
Holiday allowance	2,603
Total director remuneration	43,476
Taxable allowances	1,707
Pension	2,647
Social Security	6,457
Total remuneration and benefits 2024	<b>54,287</b>
Total remuneration and benefits 2023	-

EUR

Harpinder Collacott: Executive Director  
Period of employment: 01.07.2023 – 30.06.24  
Hours/week: 3

Annual income	
Gross salary	-
Holiday allowance	-
Total director remuneration	-
Taxable allowances	-
Social Security	-
Total remuneration and benefits 2023	-
Total remuneration and benefits 2022	-



Harpinder Collacott was Executive Director for Mercy Corps Europe and Mercy Corps Netherlands in FY24 and their salary is fully paid for by Mercy Corps Europe and not recharged to Mercy Corps Netherlands. No loans, advances or guarantees were given to Mercy Corps Netherlands Directors. The equivalent of €17,745 (£15,038) of the Executive Director salary was contributed in kind to Mercy Corps Netherlands by Mercy Corps Europe (FY23 €10,475).

## **Remuneration of Board Members**

No remuneration is offered to Board members and no loans, advances or guarantees existed in 2024. In 2024 no expenses were incurred for Board members.

## **Adoption of Financial Statements**

The Financial Statements are prepared by the management of MCNL. The Financial Statements were unanimously adopted by the Board of MCNL in its meeting of 7 November 2024, held online.



### **Ludovic Subran**

Board Chair, Mercy Corps Netherlands

Date: 8 November 2024

Signed and attached: Auditors Report

To: the general meeting of Mercy Corps Netherlands registered at 's-Gravenhage

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## INDEPENDENT AUDITOR'S REPORT

### A. Report on the Audit of the Financial Statements

#### Our opinion

We have audited the financial statements 2023-2024 of Mercy Corps Netherlands, based in 's-Gravenhage.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Mercy Corps Netherlands as at June 30, 2024 and of its result for year 2023-2024 in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. The balance sheet as at June 30, 2024;
2. The statement of income and expense for the year 2023-2024;
3. The cash flow statement for the year 2023-2024;
4. The notes comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Mercy Corps Netherlands in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### B. Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.



We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirement of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

## C. Description of responsibilities regarding the financial statements

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

### Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's

ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 8 November 2024

Grant Thornton Accountants en Adviseurs B.V.

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